

# GUIDE BOOK ON EMPLOYMENT INSURANCE PLAN (EIP)

## QUESTION AND ANSWER GUIDE FOR EMPLOYEES

1. **Q.** What is EIP?

**A.** The EIP is a comprehensive Republic of Korea Government (ROKG) plan to promote employment and provide unemployment benefits to eligible employees who become unemployed for reasons other than personal cause. EIP consists of three programs: (1) Unemployment Benefits Program (UBP), (2) Employment Stability Program (ESP), and (3) Vocational Ability Development Program (VADP). The plan became compulsory effective 1 July 1995 for all eligible workers who work for non-USFK business who employ 30 or more workers. USFK implemented the unemployment benefits program for its Korean (KN) employees effective 1 Jul 97. The ESP and VADP programs will go into effect for USFK KN employees beginning 1 Oct 99 (fiscal year 2000) as agreed to between USFK and ROKG.

2. **Q.** What benefits will EIP provide to me?

**A.** The current EIP benefit provided to USFK employees is the unemployment allowance (basic allowance). This allowance is provided for employees who become unemployed without personal cause and who are actively seeking employment. The amount of unemployment allowance is approximately 50% of the individual's monthly wages for the number of days shown in the following chart **(HO 1)**:

**CHART OF UNEMPLOYMENT ALLOWANCE**

Category		Insured Unit Period			
		More than 1 yr – less than 3 yrs	More than 3 yrs – less than 5 yrs	More than 5 yrs – less than 10 yrs	More than 10 years
Age as of the date of Termination	Less than 30 years	60 days	90 days	120 days	150 days
	More than 30 yrs-less than 50 yrs	90 days	120 days	150 days	180 days
	More than 50 yrs & Disabled	120 days	150 days	180 days	210 days

3. **Q.** How are “monthly wages” determined for unemployment allowance purposes?

**A.** Monthly wages are defined as basic pay and bonuses.

4. **Q.** Who is eligible to participate in the EIP?

**A.** Full-time and part-time appropriated and non-appropriated KN employees of USFK military components, including members of the Army and Air Force Exchange Service-Korea (AAFES-Korea) and members of the Korean Service Corps (KSC) are eligible to participate in the EIP. Employees who are reappointed on temporary appointments after mandatory retirement; employees who are newly hired after age 60; temporary employees on appointments of less than three months; and intermittent employees are excluded from participation.

5. **Q.** Am I eligible to request the unemployment allowance when I become unemployed without personal cause?

**A.** The answer to this question is based on the following conditions:

(1) If you become unemployed between 1 Mar 98 and 30 Jul 99, you are eligible to request the unemployment allowance if you have been enrolled in the plan for at least 6 months (referred to as “**insured unit period**”) within the 12 month period (referred to as “**standard period**”) immediately prior to the effective date of unemployment.

OR

(2) If you become unemployed before 1 Mar 98 or after 30 Jun 99, you are eligible to request the unemployment allowance if you have been enrolled in the plan for at least 12 months (**insured unit period**) within the 18 month period (**standard period**) immediately prior to the effective date of unemployment. (**Note:** All periods of employment during which you were covered by the EIP, including non-USFK employment, are creditable).

OR

(3) Reappointed retirees (RREs) are excluded from participation. However, if you are an RRE who was (1) a regular employee on or before 1 Jul 97, (2) initially reappointed on or after 1 Jan 98, and (3) was on the rolls on or after 31 Mar 98, you are eligible to request an unemployment allowance because you met the 6 month qualifying period (insured unit period) **as a regular employee prior to the mandatory retirement age.**

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AND

(4) If you become unemployed without personal cause.

(5) If you seek continued employment actively with the intention and ability to work.

6. **Q.** I was a regular employee from before 1 Jul 97. I reached my retirement age on 30 Nov 97. Effective 1 Dec 97, I was reappointed on a temporary appointment with expiration date of 30 Nov 98. Am I eligible to request the unemployment allowance if I am separated from employment on or before 30 Nov 98?

**A.** No. To be eligible to request the unemployment allowance, you must have been enrolled in the EIP for at least **6 months as a regular employee prior to the mandatory retirement age.**

7. **Q.** I was a regular employee from before 1 Jul 97. I reached my mandatory retirement age on 31 Dec 97. Effective 1 Jan 98, I was reappointed on a temporary appointment not to exceed (NTE) 30 Sep 98. Am I eligible to request the unemployment allowance if I terminate on or before 30 Sep 98?

**A.** Yes. Because you have been enrolled in the EIP for **6 months as a regular employee prior to your mandatory retirement age.**

8. **Q.** I had been covered by EIP from 1 Jul to 31 Dec 97 as a regular employee. Effective 1 Jan 98, I was reappointed on a temporary appointment not to exceed 28 Feb 98. I terminated employment, effective 28 Feb 98. Am I eligible to request the unemployment allowance?

**A.** No. A comprehensive initial roster of USFK KN employees who were eligible to participate in the EIP was submitted to the **ROK Labor Regional Office (LRO)** in Apr 98. The roster included all eligible employees who were **on the rolls as of 31 Mar 98.** Since you had terminated before 31 Mar 98, you are excluded from participation in the EIP.

9. **Q.** What disadvantage can I expect from delayed submission of request for the unemployment allowance?

**A.** The unemployment allowance is authorized to be paid **only during the 10-month period** immediately following separation from employment. There must be sufficient time remaining on the 10-month period after receipt of the request in the servicing LRO to cover the total eligibility period indicated in the Chart of Unemployment Allowance (HO 1). Otherwise, some unemployment allowance may be lost.

10. **Q.** I had been covered by EIP for 1 year when I became unemployed at age 30. My request for unemployment allowance was processed in the servicing LRO 9 months after the date of my unemployment. How many days am I eligible for an unemployment allowance?

**A.** 30 days. The Chart of Unemployment Allowance (HO 1) indicates that employees whose **insured unit period** covers “more than 1 year, but less than 3 years” and whose **age** is “less than 30 years” **as of the date of termination** are eligible for unemployment allowance for “60 days”. However, because you processed your request with only **1 month or 30 days remaining before expiration of the 10-month period**, you are eligible for only 30 days. Late processing of the request in this case resulted in a loss of 30 of the 60 days you were eligible.

11. **Q.** I had been covered by EIP for 2 years when I became unemployed at age 48. My request for unemployment allowance was processed in the LRO after 8 months from the date of unemployment. How many days am I eligible for unemployment allowance?

**A.** 60 days. The Chart of Unemployment Allowance (HO 1) indicates that employees whose **insured unit period** covers “more than 1 year but less than 3 years” and whose **age** is “more than 30 years but less than 50 years” **as of the date of termination** are eligible for unemployment allowance for “90 days”. However, since you processed your request **with 2 months or 60 days remaining before expiration of the 10 month period**, you are eligible for 60 days and lose 30 days out of the total 90 days for which you would otherwise have been eligible. If you processed the request 7 months following your unemployment, you would be eligible for 90 days.

12. **Q.** I had been enrolled in EIP for 1 year as a regular employee. I became unemployed at age 55. My request for unemployment allowance was processed in the LRO 8 months

from the date of unemployment. How many days am I eligible for unemployment allowance?

**A.** 60 days. According to the Chart of Unemployment Allowance (HO 1), you could be eligible for 120 days or 4 months. However, since you processed your request with **60 days or 2 months remaining before expiration of the 10-month period**, you are eligible for 60 days and lose 60 days out of the total 120 days for which you would otherwise have been eligible.

13. **Q.** What are the procedures for requesting the unemployment allowance?

**A.** Your servicing Civilian Personnel Office (CPO)/Civilian Personnel Advisory Center (CPAC) prepares and submits a certificate of unemployment (EIP Form #15) **directly to the servicing ROK Labor Regional Office (LRO)** for you as soon as you become unemployed. In order for you to receive an unemployment allowance, you must appear and request the allowance at **the closest LRO to the place of your residence within 14 days of unemployment, but no later than 10 months** immediately following termination from employment. Also, you must provide a bank account number to the LRO and follow other procedures as required by the LRO to receive the unemployment allowance.

14. **Q.** What are the procedures for preparing the certificate of unemployment (EIP form #15)?

**A.** The servicing CPO/CPAC initiates the EIP form #15 by completing items 1 through 11 pertaining to your personnel data and forwards it to the civilian payroll office. Civilian payroll completes items 13 through 24 pertaining to your financial data and sends it back to the CPO/CPAC for certification. The CPO/CPAC will review the form with you to verify that the information on the form is correct. You must sign the form prior to submission of the form by your servicing CPO/CPAC to the LRO.

15. **Q.** Please show me a sample of completed EIP form #15.

**A.** Two samples of completed EIP form #15 are attached with specific instructions for completing the form in **Hangul (HO 2: Samples 1 and 2)**.

16. **Q.** Must I appear at the servicing LRO to request the unemployment allowance even if I do **not** want the unemployment allowance now?

**A.** No, you do **not** have to. Your servicing CPO/CPAC, however, will submit a report of your termination to the servicing LRO. You may request the unemployment allowance at a later time when you do want the allowance following the procedures provided in **Q** 13, above.

17. **Q.** How is the unemployment allowance provided?

**A.** The unemployment allowance is deposited on a biweekly basis to the bank account number you provide to the LRO. A waiting period of two weeks is required before the first allowance payment is provided. No waiting period is required for subsequent allowance payments.

18. **Q.** Are all participating employees who terminate without personal cause eligible for unemployment allowance?

**A.** All employees who have been covered by EIP for at least 6 months may request the unemployment allowance. Final determination of eligibility for unemployment allowance rests with the servicing LRO, not with any USFK CPO/CPAC, civilian payroll office or employee.

19. **Q.** How much will it cost to participate in the EIP?

**A.** The current rate of premiums paid to participate in the UBP is 0.6% of the employee's base pay and bonuses, representing 0.3% of the employee's share and 0.3% of the employer's share. The insurance premiums are paid in advance, either annually or quarterly, based on the estimated employee's wages (base pay and bonuses) for the calendar year and reconciled at the end of each calendar year to reflect actual employee wages for that year. The advance insurance premium paid for the employee by employer will be recouped from the employee by payroll deduction each pay period. The employee deduction will be based on the employee's actual base pay and bonuses during the pay period.

**Note:** The ROKG has announced that the premiums for EIP will be increased effective 1 Jan 99 as follows: (1) The premium for the UBP will be increased to 1.0% of the employee's base pay and bonuses. The increase is divided equally between the

employee and employer with each contributing 0.5%. (2) The premium for the ESP will be increased from the current 0.2% to 0.3% of the employee's base pay and bonuses. The premium for the ESP is paid by the employer. (3) The current premium of 0.5% for the VADP, which is paid by the employer, will remain unchanged. USFK will participate in the ESP and VADP beginning fiscal year 2000. Premiums for these programs will be paid beginning 1 Oct 99.

20. **Q.** What benefits are available under EIP other than the unemployment allowance?

**A.** EIP provides for an early re-employment allowance, vocational ability development allowance, wide geographic area employment-seeking allowance and moving expenses to promote/facilitate employment/re-employment of the unemployed. Some of these benefits may become available to USFK KN employees when USFK implements the ESP and VADP beginning 1 Oct 99.

21. **Q.** What is early re-employment allowance? Who is eligible for early re-employment allowance, and how much?

**A.** Early re-employment allowance is an allowance provided for a person who is re-employed earlier than the expiration of his/her unemployment allowance eligibility period. **The amount of early re-employment allowance is for the half of the unemployment allowance remaining after re-employment.** Let's say, you are eligible for unemployment allowance for 60 days. If you are re-employed with 30 days of unemployment allowance period remaining after re-employment, you would be eligible for the early re-employment allowance for 15 days (half of the 30 days of re-employment allowance remaining after re-employment is 15 days). Other requirements for early re-employment allowance include the following: "The company that re-employs you must **not be the same one** from which you terminated prior to re-employment and the job you are re-employed for must continue for at least **one year**. Eligibility and computation of early re-employment allowance will be determined by the LRO on a case by case basis."

22. **Q.** What are the benefits available to employees covered by the Vocational Ability Develop Program (VADP)?

**A.** Various vocational ability development programs will be available to USFK KN employees when USFK participates in the VADP beginning 1 Oct 99. VADP comes in

two categories. Category A program covers all vocational ability development programs provided by or through your employer (USFK) in preparation for your unemployment. Category B program provided under the VADP includes all vocational ability development programs which are provided by or through ROK MOL designated training agencies when you become unemployed. Currently there are approximately 3,000 vocational ability development programs or courses provided by ROK MOL designated training agencies. Most category B programs are cost-free, except for certain high cost courses. Expenses for any high cost development courses are shared between the training agency and the trainee. The trainee's share is limited to the amount that exceeds the standard cost set for the high cost program.

23. **Q.** What benefits are available other than the VADP training?

**A.** The other benefit the VADP provides is a vocational ability development allowance. The vocational ability development allowance is provided for an individual who becomes unemployed and participates in a vocational ability development program approved by the servicing LRO. The allowance is provided only during the period the individual is unemployed and participates in the program to cover the worker's livelihood, transportation and the cost of the training program. The allowance is not provided during the period in which the individual receives unemployment allowance.

24. **Q.** What is "wide geographic area employment-seeking allowance"?

**A.** Wide geographic area employment-seeking allowance is an allowance provided for seeking employment in wide geographic area(s) designated by the servicing LRO.

25. **Q.** Who is eligible for wide geographic area employment-seeking allowance, and how much is it?

**A.** An individual who seeks employment in wide geographic area(s) at the direction of the servicing LRO is eligible for the allowance. Eligibility for and individual amounts of the allowance will be determined by the servicing LRO on an individual case by case basis as



for the unemployment allowance. The allowance consists of travel costs (by train – <Mugunghwa, General>, ship <2<sup>nd</sup> Class> or bus <Express Bus Fare>) and per diem (W17,500 per day across the country) for the individual.

26. **Q.** Am I eligible for moving expenses?

**A.** Yes, you are eligible if/when you are reemployed in an area that requires movement from one commuting area to another. Definition of commuting area and determination of eligibility for moving expenses rests with the LRO.

27. **Q.** Who is my servicing LRO?

**A.** Your servicing LRO depends on the USFK civilian payroll office servicing you. There are five ROK LRO's designated as USFK counterparts in administering USFK EIP. The designation is based on USFK military component and civilian payroll office, as follows: (1) The Seoul Sobu LRO is designated for employees serviced by the 175<sup>th</sup> appropriated fund (APF) and non-appropriated (NAF) civilian payroll offices. (2) The Suwon LRO is designated for employees serviced by the Osan Air Force Base (51 MSS/DPC) APF and NAF civilian payroll offices. (3) The Kunsan LRO is designated for employees serviced by the 8<sup>th</sup> Fighter Wing NAF civilian payroll office at Kunsan. (4) The Changwon LRO is designated for employees serviced by the Navy APF and NAF civilian payroll offices at Chinhae. (5) The Seoul Choongbu LRO is designated for employees serviced by the AAFES civilian payroll office.

28. **Q.** Who is the point of contact for any questions regarding EIP?

**A.** (1) The POC for questions pertaining to the certificate of unemployment (EIP form #15), unemployment benefits or other EIP matters is your servicing CPO/CPAC.

(2) The POC for questions pertaining to EIP premium deductions or your wages received during the insured unit period and the standard period is your servicing civilian **payroll** office.

(3) You may find additional information about the EIP in general on ROK MOL internet homepage at "[WWW.MOLAB.GO.KR](http://WWW.MOLAB.GO.KR)."

3 Encls

1. Chart of Unemployment Allowance.
2. Sample 1, EIP Form #15 (completed).
3. Sample 2, EIP Form #15 (completed).

### CHART OF UNEMPLOYMENT ALLOWANCE

CATEGORY		INSURED UNIT PERIOD			
		More than 1 yr – less than 3 yrs	More than 3 yrs – less than 5 yrs	More than 5 yrs – less than 10 yrs	More than 10 years
<b>Age as of the date of Termination</b>	Less than 30 years	60 days	90 days	120 days	150 days
	More than 30 yrs-less than 50 yrs	90 days	120 days	150 days	180 days
	More than 50 yrs & Disabled	120 days	150 days	180 days	210 days

**ATTENTION!!**: All requests for unemployment allowance must be made **no later than 10 months** from the date of unemployment. Otherwise, some unemployment allowance may be lost.